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C O N F I D E N T I A L ROME 003159

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E.O. 12958: DECL: 11/22/2026

TAGS: ETTC EPET PREL IR IT

SUBJECT: ITALIANS CLOSE-MOUTHED ON AZADEGAN PROJECT IN IRAN

REF: A. STATE 179840

¶B. ROME 3059

¶C. ROME 2156

¶D. ROME 1876

¶E. ROME 452

Classified By: Ecmin Thomas L. Delare for reasons 1.4 (b) and (d)

¶1. (C) Ecmin delivered ref A points regarding possible Italian investment in Iran's Azadegan oilfield to Amadeo Teti, Ministry of Foreign Trade Director General for Commercial Agreements, and Claudio Spinedi, Ministry of Foreign Affairs Deputy Director General for Multilateral Financial and Economic Cooperation. Both Teti and Spinedi took on board ref A points outlining USG views on possible investment by Italian companies in the Azadegan oilfield, but did not say the GOI would discourage Italian companies from investing in the project. In response to Ecmin's observation that "it looks like we are headed towards UN sanctions" and "now is not the time for business as usual in Iran," Teti and Spinedi noted that Eni, Italy's oil and gas parastatal, has been active in Iran since the 1950's and that Iran is an important source of oil for Italy.

¶2. (C) Ecmin pointed out to Spinedi that allowing Eni, or another Italian company, to invest in the Azadegan oilfield sends a message to Iran that a strategy of "divide and conquer," figuratively speaking, can successfully be applied to the West. Ecmin also noted that in order for others to take seriously Italy's wish to participate in the Iran "P5 1" policy discussion, Italy must show that it can work with other P5 1 group members to urge Iran to abide by UNSC Resolution 1696. Continuing business as usual with Iran, even as Iran continues to defy UNSC Resolution 1696, belies GOI assertions that it can play a constructive role in the P5 1 process. Spinedi said he understood Ecmin's point and would pass it to his superiors within the MFA.

¶3. (C) Comment. The GOI seems torn between Italian commercial and trade interests in Iran (refs C, D, and E), and Italy's desire to play a role in shaping the international community's approach towards Iran and possible UN sanctions. At this time, Italy appears to be putting Italian commercial interests in Iran ahead of considerations about a potential GOI role in shaping the international community's approach to solving the Iran dilemma. GOI behavior may also be influenced by their perception that other large European countries are free to pursue similar commercial agreements with Iran without appreciable consequence to their membership in the P5 1 group. End Comment.  
SPOGLI